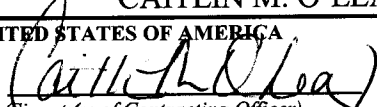


AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT		1. CONTRACT ID CODE K		PAGE OF PAGES 1 8	
2. AMENDMENT/MODIFICATION NO. 0006		3. EFFECTIVE DATE See Block 16C		5. PROJECT NO. (If applicable)	
6. ISSUED BY DEFENSE ENERGY SUPPORT CENTER 8725 JOHN J. KINGMAN RD SUITE 4950 FT BELVOIR VA 22060-6222 BUYER/SYMBOL: LAURIE CARLSON, DESC-EPP PHONE - (703) 767-9405 P.P. 8.2		CODE SC0600		7. ADMINISTERED BY (If other than Item 6) SC0600	
8. NAME AND ADDRESS OF CONTRACTOR (NO., street, city, county, State, and ZIP Code)				X	9a. AMENDMENT OF SOLICITATION NO. SP0600-01-R-0119
					9b. DATED (SEE ITEM 11) September 05, 2001
					10a. MODIFICATION OF CONTRACT/ORDER NO.
					10b. DATED (SEE ITEM 13)
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS					
<p>[x] The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers [X] is extended, [] is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning <u>1</u> copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers.</p> <p>FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.</p>					
12. ACCOUNTING AND APPROPRIATION DATA (If required)					
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.					
A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.					
B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b)					
C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:					
D. OTHER (Specify type of modification and authority)					
E. IMPORTANT: Contractor [] is not, [] is required to sign this document and return _____ copies to the issuing office.					
14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.) SEE PAGES 2-8					
<i>Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remain unchanged and in full force and effect.</i>					
15A. NAME AND TITLE OF SIGNER (Type or print)			16A. NAME OF CONTRACTING OFFICER CAITLIN M. O'LEARY		
15B. NAME OF CONTRACTOR/OFFEROR BY _____ (Signature of person authorized to sign)		15C. DATE SIGNED		16B. UNITED STATES OF AMERICA BY  (Signature of Contracting Officer)	
				16C. DATE SIGNED 10/10/02	

The purpose of this amendment is to extend the closing date, to add an environmental compliance clause to Section C of the solicitation, and to address questions proposed by a prospective offeror as follows:

A. The closing date for the receipt of proposals under this solicitation is hereby extended from October 18, 2002 to January 15, 2003.

B. The following clause is hereby added to Section C.10, Environmental Compliance, of the solicitation:

C.10.4. The Contractor will be responsible for accomplishing at no cost to the Government any environmental response required as a result of the Contractor's activities. The Government will retain responsibility for remediation of existing environmental contamination.

C. Questions proposed by a prospective offeror are as follows:

1) Contained in Attachment J01, Table 5, is a list of meters. On pages J01-8 and J01-9 are meters that contain "NA" as part of the Meter Number/Building Location and in the Meter Description columns. During our inspection, we were unable to locate these meters or correlate what appears to be building numbers with actual buildings. Please clarify if these meters exist? If they do, where are they and are they included in the privatization effort?

ANSWER: All meters listed are there and are to be included within the privatization. The meters with N/A next to them indicate the meter is pole mounted and not mounted on/in a specific facility. Contact the Base Energy Manager (706) 791-6184, and he can locate any meters in question.

2) RFP Section C.11.2.5. The section states that the Government will pay for upgrades that the Government approves of and those associated with compliance with "legally applicable regulatory requirements." This section is silent on upgrades due to safety issues. Will the bidder have the right to unilaterally implement safety improvements and adjust its price when the bidder determines that a safety problem needs to be addressed? In other words, does this section allow the Government to refuse to pay for a safety related upgrade?

ANSWER: Safety-related upgrades due to code-compliant issues shall be considered legally applicable regulatory requirements. All upgrades should be identified and listed and prioritized in the Initial Capital Upgrades project list.

3) Section J01.2.1, 5th paragraph, page J01-2. The last sentence in the paragraph reads the "line of demarcation is the connection at the three transformers at the 13.5 MW generator site." Is the line of demarcation the connection between the distribution and the transformers or the transformers and the generators? Are the generator step-up transformers included in the privatization?

ANSWER: The line of demarcation shall be between the distribution and the transformers. The Government shall retain ownership of the Generators, Breakers and Transformers at the 13.5 MW Generating Plant.

4) Section C.4.3.1, Page 15. This section requires the successful bidder to allow the Government to attach to the privatized system free of charge. There are two costs typically associated with attaching to a utility's system. One is a recurring monthly charge and the second is the cost associated with making the system components ready for an attachment. As the Government is not a utility, waiving the monthly charge is not the problem. Waiving the cost associated with making a system component ready to accept an attachment can be expensive and a cost that should be passed along to the Government. This section, in its current form, states that all costs, including the cost to make the system components ready to accept an attachment, are to be provided free of charge. Is this the Government's intent? Please clarify. The location of various users on a pole, for example, is a safety issue. As a statewide utility, we have standards by which we allow attachments that deal with spacing between the various users. The purpose of these standards is to prevent accidental contact w/energized conductors. To allow the Government to attach anything it wants to any system component it wants is neither practical nor rational. In the case of a pole with not be enough room to safely

allow an attachment, the utility normally installs a taller pole, transfers its utility system to the new pole thus increasing the spacing to allow a safe attachment. This type of work is referred to as "make ready." Traditionally, the one-time cost to make a pole ready for attachment is borne by the requesting party.

ANSWER: If the Contractor is required to accomplish "make ready" work, the Contractor will be reimbursed for its reasonable costs for such work.

5) If respondent to the RFP is a state regulated utility, routinely providing privatization services to the Government and provides utility services to the Government under a General Services Administration (GSA) Area wide Utilities Contract; can the utility respond to the RFP as a contract that will be folded under the terms and conditions of the previously negotiated GSA Area wide Utilities Contract?

ANSWER: Yes, under an alternate proposal. The Government reserves the right to determine whether it considers the GSA Contract an appropriate vehicle.

6) Section H.2.3, General, P. 31. Utilities typically self-insure and we have planned to self-insure the privatized system. This section requires that policies cover both the successful bidder and the Government. Self-insurance is provided through a State of Georgia Certificate and it will not be possible to include the Government on it. Is the Government requiring bidders to procure outside insurance to meet this section? The Government currently self insures already, not to mention its ability to limit claims should it be sued. This requirement needlessly adds cost. If an outside policy is required, we'll need a more definitive description of the "named insured" other than the Government.

ANSWER: The Government will consider self-insurance if an appropriate explanation is provided.

7) Fire protection: In other RFP's the Government has agreed to provide fire protection at no cost to the Contractor just as it currently does for the Government owned system. Will Fort Gordon provide fire protection at no cost to Contractor?

ANSWER: For the existing utility system, the Government will provide fire protection throughout the service area at no cost to the Contractor.

8) What is the Government's position on the applicability of Cost Accounting Standards as it applies to a utility regulated by both the Federal Energy Regulatory Commission and the Georgia Public Service Commission? The Accounting systems used by regulated entities are not compatible with the intent of FAR 52.230-2. Is the fact that the utility is regulated enough to be exempted from CAS? The CAS requirements are aimed at defense contractors. A local utility serving a federal entity because the entity is in the utility's service territory does NOT make the utility a defense contractor. A defense contractor is an entity set up to do business with the Government and can fashion its accounting standards to fit the requirements of the Government. A regulated utility cannot.

ANSWER: A regulated rate proposal by a regulated company is not subject to CAS. Unless another exemption applies, CAS is applicable.

The following pertain to the proposed Easement document, Attachment J22.

9) P.J22-1, #2. CONTRACT-EASEMENT RELATIONSHIP - This easement and **the contract** shall not merge, **but the terms and conditions of each shall survive the execution and delivery of this easement and any subsequent recordation thereof. In the event the terms and conditions of this easement conflict with the terms and conditions of the contract, the terms and conditions of the contract shall prevail.** A default under the contract shall constitute a default under this easement. Unless otherwise specified in this easement, any and all Government rights and remedies as set forth in the contract and in this easement will be available to the Government on a cumulative basis to enforce the provision of this easement.

Comment - There is a specific reference to “the contract”. What is the contract? Is that the “Bill of Sale” or is there another document to be incorporated into the deal? This paragraph states that both “the contract” and this easement will survive execution and recording of all documents and that in the event of a conflict between the terms and conditions of the contract and those of the easement, **the terms and conditions of the contract prevail over the easement**. This sets up an ambiguity as to all the documents included in the transaction and which terms of what document are applicable. Please clarify.

ANSWER: The contract refers to the utility distribution contract between the Government and the Grantee. The easement is a separate document that must be accepted and signed by the Grantee prior to award and, if an award is made, becomes part of the award documentation. The above statement, as noted in the J22 Attachment, addresses the order of precedence should the two documents conflict in any way.

10) P. J22-2, #7(c). SUPERVISION BY THE INSTALLATION COMMANDER.

Comment - If there are buildings on the historic register, please disclose them.

ANSWER: There are no buildings listed on the Historical Register. This information was included in the Environmental Baseline Survey that was available during the site visit. It is available electronically upon request.

11) P. J22-4, #12. RIGHT TO ENTER - **The right is reserved to the United States**, its officers, agents, and employees to enter upon the premises at any time and for any purpose necessary or convenient in connection with government purposes, to make inspections, to remove timber or other material, **except property of the Grantee**, and/or **to make any other use of the lands as may be necessary in connection with government purposes, and the Grantee shall have no claim for damages on account thereof against the United States or any officer, agent, or employee thereof**.

Comment - This section is ambiguous. At one point the Government indicates it will not tamper with the property of the Grantee, but then states it can “make any other use of the lands as may be necessary in connection with Government purposes, and the Grantee shall have no claim for damages.” Does this provision give the Government the right to force a line relocation at no cost to the Government?

ANSWER: No

12) P. J22-4, #15. SUBJECT TO EASEMENTS – (b). **This easement is not exclusive. Utility poles and duct banks, currently existing or subsequently erected, may be used jointly by the Government and its suppliers/contractors without charge.** This easement is subject to existing structures and improvements and the government will not be required to relocate existing facilities, improvements, or encroachments on the easement premises.

Comment - See 5 and 6 above. How is the bidder to handle safety violations associated with the Government attachment? Does the Government expect the bidder to accept a known safety problem?

ANSWER: No, the Government does not expect the Offeror to accept a known safety problem. Base immediately remedies all known safety problems. Any known safety problems that the Offeror finds should be included within the Offeror’s proposal as an Initial Capital Upgrade.

13) P. J22-5, #16. RELOCATION OF FACILITIES - **In the event all or any portion of the premises occupied by the said facilities shall be needed by the United States, or in the event the existence of said facilities is determined to be detrimental to governmental activities, the Grantee shall from time to time, upon notice to do so, and as often as so notified, remove said facilities to such other location on the premises as may be designated by said officer.** In the event said facilities shall not be removed or relocated within thirty (30) days after such notice, the United States may cause such relocation. Depending on the size and urgency associated with any such relocation, in the sole discretion of the United States, additional time for said relocation may be granted by the government.

Comment – See 11 above. Who bears the expense of relocations at Government requests?

ANSWER: The Government.

14) P. J22-5, #17. **TERMINATION - This easement may be terminated by the Secretary in whole or in part upon ninety (90) days written notice to the Grantee if the Secretary shall determine that the right-of-way hereby granted interferes with the use or disposal of said land by the United States, or it may be revoked by Secretary for failure of the Grantee to comply with any or all of the conditions of this easement, or for non-use for a period of two (2) years, or for abandonment, or upon termination of the utility distribution contract between the Government and the Grantee.**

Comment - Relocation provisions are contained in Section #16 so why can Government terminate if it needs use of land occupied by Grantee? Does the Grantee have a right to cure any alleged failure to comply with conditions? New reference to a “utility distribution contract” document.

ANSWER: Yes, the Grantee will be given the opportunity to cure any alleged non-compliance.

15) P. J22-5, #19. **ENVIRONMENTAL PROTECTION – (a) Within the limits of their respective legal powers, the parties hereto shall protect the premises against pollution of its air, ground, and water. The Grantee shall promptly comply with any laws, regulations, conditions, or instructions affecting the activity hereby authorized if and when issued by the Environmental Protection Agency, or any Federal, state, interstate, or local governmental agency having jurisdiction to abate or prevent pollution. The disposal of any toxic or hazardous materials within the premises is strictly prohibited. Such regulations, conditions, or instructions in effect or prescribed by the said Environmental Protection Agency or any Federal, state, interstate, or local governmental agency are hereby made a condition of this easement. The Grantee shall not discharge waste or effluent from the premises in such a manner that the discharge will contaminate streams or other bodies of water or otherwise become a public nuisance. The Grantee shall promptly report to said officer any incident for which the Grantee is required to notify a federal, state or local regulatory agency of an issue of non-Compliance with any applicable law or regulation. Grantee shall promptly provide said officer with copies of any follow-on written notices or reports required by a regulatory agency as a result of any such incident. The Grantee will also be solely responsible for compliance with any enforcement actions initiated by federal, state, or local authorities. To the extent that the federal government retains any sovereign immunity, the Grantee is not entitled to claim any such immunity.**

(b). The use of any pesticides or herbicides within the premises shall be in conformance with all applicable Federal, state, and local laws and regulations, including the installation’s Integrated Pest Management Plan. **The Grantee must obtain approval in writing from said officer before any pesticides or herbicides are applied to the premises.** The Grantee shall submit written documentation to include the date any pesticides were applied, the name of certified pesticide applicator who performed the work, the location of the application, the amount and type of pesticide used, and any other relevant documentation as required. **If the said officer determines that additional environmental analysis is necessary as a result of an initiative of the Grantee, then the Grantee will be responsible for all costs incurred to prepare the necessary document(s).**

(d). For hazardous chemical or POL spills caused by or under the control of the Grantee, the Grantee will contain the spill with Grantee- furnished **materials in accordance with the Integrated Contingency Plan (ICP).** While the spill is being contained, the **(INSTALLATION'S NAME)** Fire and Emergency Services Division and environmental management office shall be notified immediately. Containment and notification should occur simultaneously. Cleanup and restoration shall be the responsibility of the Grantee.

Comment - In (a), Grantee is solely liable. What if it is not Grantee's fault? In (b) Grantee is responsible for all costs in preparation of documents deemed necessary by said officer. What documentation is required if applying approved pesticides or herbicides? (d) What is the ICP plan referred to?

ANSWER: Please refer to C.10.4, which is hereby incorporated into this amendment (See page 2). The installation environmental office can provide detailed information on required documentation for applying pesticides or herbicides. The Integrated Contingency Plan (ICP) is the installation's detailed plan for coordinating all response activities relating to hazardous chemical and POL spills.

16) P. J22-7, #22. RESTORATION - On or before the termination or expiration without renewal of this easement, the Grantee shall, **without expense to the United States, and within such time as said officer may indicate, remove all properties and materials except said facilities and restore the premises to the satisfaction of said officer.** In the event the Grantee shall fail to remove said properties and materials and restore the premises, the United States shall have the option to take over said properties, materials and facilities without compensation, or to remove same and perform the restoration at the expense of the Grantee, and **the Grantee shall have no claim for damages against the United States or its officers or agents for such action.**

Question Submitted by Georgia Power Co. on SOL SP0600-01-R-01195

Comment - This section appears to be in conflict with the provision under the Termination for Convenience of the Government clause. If the Government does not renew the easement it is effectively terminating the contract for which grantee is due some compensation and/or a right to cure the problem that causes the Government not to renew.

ANSWER: It is intended that the period of the easement will coincide with the period of the utility services contract.

17) P. J22-9, #30. ENVIRONMENTAL CONDITIONS - The Grantee shall **be solely responsible for compliance with any enforcement actions initiated by federal, state, or local authorities.** Additional environmental analysis may be required to stay in compliance with NEPA and/or the Endangered Species Act. The Grantee shall be responsible for preparing any necessary documents that are driven, in whole or in part, by Grantee initiatives. Draft documents should be submitted to said officer and the chief of the environmental management office for review and approval before they are submitted to regulatory agencies. **Grantee shall also be responsible for costs incurred to meet public participation obligations of NEPA, including but not limited to printing, publication of notices and conduct public meetings.**

Comment - No land is being conveyed in this procurement, why should Grantee be solely responsible for compliance, etc.? This needs to be clarified so that Grantee is only responsible for its actions, NOT any pre-existing conditions on the premises.

ANSWER: Please refer to C.10.4, which is hereby incorporated into this amendment (See page 2).

18) P. J22-10, #34. LEAD-BASED PAINT WARNING AND COVENANT:

Comment - This provision suggests that there may be some lead paint issues associated with the electric distribution system. Is there? We have not been provided a copy of the **Environmental Screening Document**. Part (d) of this provision states that Grantee is again responsible and liable for **remediation** of pre-existing conditions and any effects not only on Grantee employees, but also the general public. We truly hope that the sections contained in this proposed Easement will be negotiable.

ANSWER: There are no known lead based paint (LBP) areas of concern. This will be reflected in the official easement that will be submitted at the time of award.

19) P. J22-11, #35. NOTICE OF THE PRESENCE OF ASBESTOS COVENANT:

Comment – Please disclose any asbestos contamination associated with the electric distribution system. Section makes Grantee responsible and liable for remediation of pre-existing conditions. Is this the Government's intent?

ANSWER: There is no known ACM of concern. This information was included in the Environmental Baseline Survey and Environmental Assessment along with the Environmental Screening Document (ESD) that was available during the site visit. It is also available electronically upon request. This will be reflected in the official easement that will be submitted at the time of award.

20) P. J22-12, #36. NOTICE OF POLYCHLORINATED BIPHENYL (PCB) EQUIPMENT AND COVENANT: (c) The Grantee covenants and agrees that its continued possession, use, and management of any PCB containing equipment will be in compliance with all applicable laws relating to PCBs and PCB containing equipment, and that the **Army assumes no liability for the remediation of PCB contamination or damages for personal injury, illness, disability, or death to the Grantee, its successors or assigns, sub grantees, or to any other person, including members of the general public, arising from or incident to use, handling, management, disposition, or other activity causing or leading to contact of any kind whatsoever with PCBs or PCB containing equipment, whether the Grantee, its successors, or assigns have properly warned or failed to properly warn the individual(s) insured. The Grantee agrees to be responsible for any remediation of PCBs or PCB containing equipment found to be necessary from its use or possession during the term of the Easement. This section and the obligations of the Grantee hereunder shall survive the expiration or termination of this easement and any conveyance of the easement premises to the Grantee.**

Comment - Why does the Army assume no liability for remediation or damages? THIS obligates Grantee for pre-existing PCB costs of whatever nature. If the Army's intent is only as to Grantee's actions and equipment subsequent to the time of the effective date of this agreement, that needs to be clarified.

ANSWER: The list of PCB transformers was listed in the Environmental Baseline Survey and Environmental Assessment along with the Environmental Screening Document (ESD). The environmental documentation was made available during the site visit and is available electronically upon request.

21) P. J22-12, #38. REQUIREMENTS FOR ENDANGERED OR OTHER PROTECTED SPECIES.

Comment - Please identify areas within Fort Gordon where habitat of endangered species are located. Are distribution assets located in these areas?

ANSWER: The Environmental Assessment contains the locations of any habitat of endangered species. The environmental documentation was made available during the site visit and is available electronically upon request.

22) P. J22-13, #39. UNEXPLODED ORDINANCE. The Grantee will be aware that since the premises are on a military installation with a history of ordnance and explosives (OE) use, there is a potential for OE to be present on the property. In the event the Grantee or its successors and assigns should discover any OE on the property, they shall not attempt to remove or destroy it, but they shall immediately notify the military police. **Competent U.S. Army Explosive Ordnance personnel will be dispatched promptly to dispose of such OE properly at no expense to the government.**

Comment- Please clarify the last sentence. Does this mean the Grantee has to reimburse the Government for the removal of the OE? Or does it mean that any delays caused by the removal of OE cannot be billed to the Government?

ANSWER: The Government will bear the cost of removing the OE.

23) P. J22-13, #41. DESCRIPTION OF RIGHT-OF-WAY FOR _____. The right-of-way for _____ (**related facilities such as substations/switch stations, gas valve yards, pump stations, etc.**) containing operational components of the Grantee owned system shall include the entire area inside the fence line that encloses the area and an area **of 4 feet outside of the perimeter of the fence line.**

Comment - Our standards call for a 10 foot clearance outside of a substation fence. Is this doable?

ANSWER: A 10-foot clearance is acceptable.

24) P. J22-13, #42. MAINTENANCE OF RIGHT-OF-WAYS. **All right-of-ways shall be maintained by the Grantee.** All herbicide applications shall be subject to approval by the Government. This includes but is not limited to type of

herbicide and method of application. The trimming of trees in the right-of-ways, around buildings, and in cantonment areas of the installation, shall be subject to approval by the Government. **Trees that fall from outside of the easement premises and land inside the right-of-way shall be the responsibility of the easement holder to clear and dispose of all debris. Tree limbs may be chipped and disposed of on selected portions of the right-of-way as approved by the Government.**

Comment - The bulk of the distribution system is contained in the cantonment area. Site visits suggest that the land under the distribution lines is already being maintained by the Government. Does this provision mean that those cutting the grass will now leave a swath under or above the privatized distribution line that the Grantee is now obligated to maintain? The easement specifically indicates that the easement is non-exclusive. How do we determine what the other users are responsible for? This appears to be impractical.

ANSWER: Offeror shall include all landscape maintenance costs within the O&M Fixed monthly cost.

25. P. J22-14, #43. DIGGING PERMITS AND NOTIFICATIONS.

Comment - Change reference to "Georgia Utility Facility Protection Act", O.C.G.A. 25-9-1 et. seq.

ANSWER: Noted.